

Text of Law Requiring Value Engineering in Executive Agencies

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

**[[Page 110 STAT. 186]]
Public Law 104-106
104th Congress**

AN ACT

To authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, to reform acquisition laws and information technology management of the Federal Government, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 1996".

*******[Sections not related to Value Engineering requirement removed to allow brevity.]*******

TITLE XLIII--ADDITIONAL REFORM PROVISIONS

Subtitle A--Additional Acquisition Reform Provisions

*******[Sections not related to Value Engineering requirement removed to allow brevity.]*******

SEC. 4306. VALUE ENGINEERING FOR FEDERAL AGENCIES.

(a) Use of Value Engineering.--The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 4203, is further amended by adding at the end the following new section:

``SEC. 36. VALUE ENGINEERING.''

``(a) In General.--Each executive agency shall establish and maintain cost-effective value engineering procedures and processes.

``(b) Definition.--As used in this section, the term `value engineering' means an analysis of the functions of a program, project, system, product, item of equipment, building, facility, service, or supply of an executive agency, performed by qualified agency or contractor personnel, directed at improving performance, reliability, quality, safety, and life cycle costs.''

[[Page 110 STAT. 666]]

(b) Clerical Amendment.--The table of contents for such Act, contained in section 1(b), is amended by adding at the end the following new item:

``Sec. 36. Value engineering.''

*******[Sections not related to Value Engineering requirement removed to allow brevity.]*******

(c) Regulations.--Each Secretary shall prescribe regulations to carry out this section. Such regulations shall be prescribed in consultation with the Director of the Office of Management and Budget.